

Use Code 141

Prospectus for Snow Play Area Related Granger-Thye Concessions



Capulin Snow Play Area Cibola National Forest - Sandia Ranger District July 2013

**U.S. DEPARTMENT OF AGRICULTURE
Forest Service**



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I. Business Opportunity

A. Introduction

This prospectus is being issued to solicit applications for a concession snow play area special use permit. A permit to provide high-quality public service in the operation and maintenance of a Government-owned recreation facility located on the Sandia Ranger District, Cibola National Forest, will be issued. The permit will include the Capulin Snow Play Area.

The authorized officer for this business opportunity is the Forest Supervisor for the Cibola National Forest, 2113 Osuna Road NE Suite A Albuquerque, NM 87113.

This is the first offering of a Granger-Thye (GT) permit for Capulin Snow Play Area, there is no revenue data available for the past three years.

Mandatory site and services

An application package must include a proposal for management of the entire Capulin Snow Play Area (SPA). Unlike prior (non-GT) concession permits, the permit holder must take responsibility for the entire site including administration, management, and oversight of the sliding areas. Required services include management of parking, snow removal, sledding/tubing slope management, supervision of sledding and other snow play activities, toilet facilities, and garbage collection & removal.

Grooming is absolutely critical to the successful operation of Capulin SPA and is therefore a mandatory service. Grooming will allow for the creation of lanes and reduce the occurrence of moguls. Although professional grooming equipment is desired and recommended, the Cibola National Forest will consider other methods of grooming. Applicants will need to describe in detail how they intend to meet this requirement.

The permit holder will be responsible for removing snow from all Capulin SPA entrance and service roads, parking lots, toilets, and garbage receptacles. Snow removal equipment and techniques must be appropriate for use on asphalt and should closely follow standard professional snow removal operating procedures. The entrance road to the parking lot totals approximately 1.2 miles, the parking is approximately 8 acres.

Optional site

The access road to Capulin SPA transects the Capulin Picnic Area. The picnic area is being offered as an optional site in this prospectus. Applicants may propose to include Capulin Picnic Area in their application and operating plan. This optional site may allow for overflow parking, a ticket booth, an on-site host, and space for additional optional business opportunities.

B. Area Description & Management History

The Sandia Ranger District of the Cibola National Forest is comprised of approximately 100,000 acres and lies just to the east of Albuquerque New Mexico. Albuquerque is the largest city in New Mexico and the Sandia Mountains are part of the signature of its unique sense of place. They serve as a premier open space refuge to a population of over 800,000 people in the extended metropolitan area.

The Sandias are the most visited mountains in New Mexico. Millions of people journey into them each year to participate in the wide variety of outdoor activities available at the doorstep of Albuquerque. Over one-third of the State's school-age population lives within an hour's drive of the Sandias.

The Forest Service operated Capulin SPA is the only one of its kind in the state of New Mexico and one of the very few throughout the southwestern US. It is the only **developed** site to specifically offer sledding and snow play for a fee. There is increasing demand nationally for snow play areas that offer sledding, tubing and general snow play activities. This trend has been tied to growing urban populations and a desire by their residents to get out and experience winter in open spaces. As the population of Albuquerque has grown, so has the demand for winter snow play areas.

The Sandia Ranger District developed the Capulin SPA in 1979 in response to a substantial increase of snow play on undeveloped slopes near heavily traveled roads. This type of use led to an unsafe condition and an inordinately large number of snow player injuries associated with vehicle traffic.

The Capulin SPA is located in the Sandia Mountains just north of Highway 536 in section 33, T12N, R5E, NMPM, Sandoval County, New Mexico and lies at about 9,000 feet in elevation. The optional site, Capulin Picnic Area lies just a few hundred feet to the south of Capulin SPA and south of the county line in Bernalillo County.

The permit area includes two main slopes (north and south) and a beginner slope just east of the south slope. Between the north and south slopes is a new warming shelter area that includes tables benches and a fire ring. (see section D below, and Appendices 1, 2, and 3 of the prospectus).

Although the Sandia Mountains enjoy a four season climate, snowfall can vary greatly from year to year. It is important for applicants to recognize the potential fluctuation in snowfall and its impact on visitation and revenue at the site. Because of this fluctuation the Cibola National Forest recognizes the importance of low overhead costs at the site to protect against excessive losses during years of minimal snowfall. At the same time, it is important for potential applicants to recognize that snowfall of only a few inches, especially early in the season or after a prolonged period without new snow, results in very high visitation at the site. At Capulin, it's all about well-timed snowfall and flexible management.

The Sandia Mountains saw its lowest snowfall since 2004-05, accumulating only 32 inches of snow from December 28 to January 15 and an additional ten inches between February 20 and 25. Low snow accumulations were accompanied by long stretches of unseasonably warm weather. The combination of these two factors led to snow depths that were insufficient to open Capulin SPA at any point during the 2012-13 winter season.

The closest source of historic snowfall data is the Sandia Peak Ski Area their snowfall for the past fourteen seasons are included in the table below:

Sandia Peak Ski Area Estimated Cumulative Snowfall		
Season	Snowfall (inches)	Period measured
2012-2013	32 + 10= 42	Dec 28 – Jan 15 + Feb 20-25
2011-2012	140	December 1 - March 25
2010-2011	58	December 17 - March 17
2009-2010	132	November 1 - April 1
2008-2009	42	November 1 - April 1
2007-2008	135	January 1 - April 1
2006-2007	190	December 1 - March 12
2005-2006	13	November 1 - April 1
2004-2005	435*	3 rd wk. of September-May 1
2003-2004	80	December 1 - April 1
2002-2003	No Data	No Data
2001-2002	25	December 1 - April 1
2000-2001	275	October 1 - April 1
1999-2000	20	No Data

*2004-2005 included large amounts of powder and was reduced by 3 days of intense rain 1st week of January.

Previous Management/History

The first management strategy that the Forest Service had was that of very passive management much like other developed and undeveloped sites are managed (i.e. picnic areas.) In 1983 the first annual operating plan was developed however, the Sandia Ranger District continued to manage the area at a low level.

The area was under a concession permit for several years but in 1996 a permit was not reissued and the Forest Service reclaimed all management responsibilities. For years the district's management strategy was to operate without onsite staff and use existing employees to open/close the area for the day and to periodically patrol the site as they do other developed sites in the Sandias. This strategy provided limited success but was essentially the only viable option given funding and staffing levels.

In 2010, following some serious accidents, Cibola NF leadership decided to provide an onsite presence and supervise the slopes. As a result, the SPA was closed to the public when it was not staffed.

In summer 2010 the Capulin SPA underwent major renovations to improve and expand the facilities. An additional slope was added, two new toilets were installed, a “warming” structure was erected, the parking lot was repaved, and the area was more adequately fenced.

In summer 2011 the adjacent Capulin Picnic Area also underwent major renovations to include new picnic tables, pedestal grills, toilets, a group picnic shelter and a host trailer pad. The picnic area is an optional site that applicants can propose for inclusion in the permit.

The rules currently in-place and established by a forest closure order at Capulin SPA are as follows:

- No sleds with metal or wood components; rubber tubes and plastic sleds/discs only
- Sliding is allowed on the 3 developed slopes only, no sliding on walkways or “out-of-bounds” hillsides
- 2 person maximum per tube, sled, disc or toy
- No “trains”, “chains”, or otherwise linked sliders
- No jumps/ramps- do not make or use
- “Look before you slide” ensure the path is clear
- Be considerate of others
- No Glass containers
- No alcohol
- Keep pets on a leash at all times

Additionally, all applicable codes of federal regulations apply, as well as, a forest order prohibiting the public from entering and using Capulin SPA while it is closed and unstaffed.

C. Description of the Capulin Snow Play Area

Capulin SPA is located approximately 15 miles north of Tijeras. It is easily and exclusively reached from NM Highway 536, about one mile above the Sandia Peak Ski area (see Appendix 1 Vicinity and Site Maps)

Mid winter temperatures (Fahrenheit) normally range from highs of 20+ degrees to 40+ degrees during the day and lows of 20 degrees to <0 degrees overnight. Note: Estimated temperatures at Capulin are between those of Sandia Park and Sandia Crest.

The area is not currently under permit and has been managed by the Forest Service since 1996. Forest Service management during this time has not included any visitor use counts. Given the recent improvements, higher level of management, and an advertisement strategy, the Forest Service anticipates the use to increase under concession management. The pattern of use typically is very busy during Albuquerque Public Schools winter break, slow to moderate on weekdays with heavier use on weekends and holidays.

D. Government-Furnished Property and Supplies

The Forest Service will not furnish any supplies for day-to-day operation of the concession. Government-furnished supplies will be limited to those necessary for programmatic consistency, including:

- Forms to report use and revenue
- Title VI nondiscrimination signs
- Standard recreation site kiosk signs
- Standard fee area signs
- Basic Forest Road traffic and other regulatory signs

Forest Service property supplied as part of Capulin SPA includes:

- (1) Entrance Gate at junction w/ NM-536
- (1) Entrance gate at back of picnic area
- ~1/4 mile spur road into Capulin SPA
- Parking lot (asphalt) w/ 137 stripped spaces (5 marked as wheelchair accessible)
- (2) 2-riser Vault toilet buildings
- (2) 3-panel kiosks
- (1) Shelter/Ramada w/ 2 square picnic tables, 10 benches, 1 fire ring
- (1) 2-panel kiosk (near shelter)
- (3) Bear resistant trash receptacles
- All chain link fencing contained within the permit area
- All pathways inside the permit area
- 2 advanced slopes and 1 beginner slope

Forest Service property supplied as part of optional site Capulin Picnic Area includes:

- Parking lot (asphalt) w/ 29 stripped spaces (2 marked as wheelchair accessible)
- (1) Picnic Shelter w/ (6) picnic tables, (1) prep table, & (2) large pedestal grills
- (1) host trailer pad w/ (1) vault holding tank, (1) picnic table, & (1) fire ring
- (2) 2-riser Vault toilet buildings
- (1) Large 1-panel kiosk
- (1) Site ID sign
- (6) Bear resistant trash receptacles
- (1) Gate restricting access to Capulin Springs (near trailer pad)
- (13) Separate picnic sites throughout the picnic area that include:
 - (17) Picnic tables
 - (5) Pedestal Grills
 - (8) Campfire rings
- All pathways inside the optional permit area

**The Cibola National Forest recognizes that some of the above listed property in the optional site may not be used and may remain under cover of snow during the winter operating season.*

E. Utilities, Access, and Waste Management

There are very limited utilities available at the site. All services must be arranged and paid for by the permit holder. The permit holder will be responsible for securing, managing, and paying for snow removal, waste management and snow grooming.

Slope Grooming (mandatory service)

Grooming is absolutely critical to the successful operation of Capulin SPA and is therefore a mandatory service. Proper grooming will:

- Increase safety by eliminating natural moguls & jumps as well as creating straight lanes that do not crisscross
- Increase slope capacity by creating lanes that maximize the slope space
- Increase general aesthetic quality
- Increase length of season by managing existing snow pack, breaking up unsafe hard packed and icy slope conditions

Although professional grooming equipment is desired and recommended, the Cibola National Forest will consider other methods of grooming. Applicants will need to describe in detail how they intend to meet this requirement.

Snow Removal (mandatory service)

The permit holder will be responsible for removing snow from all Capulin SPA entrance and service roads, parking lots, toilets, and garbage receptacles. Snow removal equipment and techniques must be appropriate for use on asphalt and should closely follow standard professional snow removal operating procedures. The entrance road to the parking lot total approximately 1.2 miles and the parking lot total approximately 8 acres. Most of the walkways inside the SPA are not paved. The permittee will be required to maintain safe walkways with methods approved by the permit administrator.

The Sandia Ranger District currently contracts with Housman Tierra Inc. (505-281-2512) for parking lot snow removal. All walkways are currently maintained by Forest Service employees.

Snow Plowing of NM Hwy. 536

New Mexico Department of Transportation (DOT) is responsible for plowing Highway 536 which is the only access to Capulin SPA. Management of the recreation sites along Hwy. 536 is challenging at times because this highway is the lowest priority for the DOT to clear and maintain after a snowstorm. The Sandia Peak Ski Area (lower on the mountain) sometimes uses their own plowing equipment to create preliminary public access to the ski area as to not disrupt business.

Electricity

There is currently no electricity at the site but utility lines may be approved by FS and installed at the permit holder's expense to connect with existing lines that run adjacent to and to the south of the permit area. PNM (505-241-2700) provides electricity to the general area.

Phone Service (Landline)

There is currently no landline phone service at the site but utility lines may be approved by FS and installed at the permit holder's expense. The district is unsure if the adjacent power lines carry phone lines. Century Link (888-235-0432) is the local telephone provider.

Water

There is currently no water system at this site. With very little water availability at the site, it is unlikely that a well based water system can be developed in the future.

Host Trailer Pad Site

There is currently no host site trailer pad at the snow play area. However, the adjacent Capulin Picnic area includes one host trailer pad. This host site includes a sewage holding tank but does not include electricity, phone, or water. The picnic area, and thus the trailer pad, is included as an optional site in this prospectus. Applicants may propose to include this site in their application and proposed operating plan. With Forest Service approval, the site may be improved to include additional utilities at the permit holder's expense.

Garbage

The permit holder will be responsible for all garbage collection and removal. The permit holder will be responsible for litter removal from the entire permit area including before winter operations begin and upon closing for the winter season. Garbage collection containers must be regularly emptied and maintained to provide good customer service and protect public health and safety.

Garbage is currently removed by Forest Service employees and taken directly to the transfer station in the Village of Tijeras. A quick internet search reveals a number of options for trash collection if the successful applicant wishes to contract with a private trash disposal company.

Liquid and Solid Human Waste Disposal

The permit holder is responsible for servicing, pumping, and maintaining toilet facilities at the site. Cleaning and pumping must be done with adequate frequency to provide good customer service and protect public health and safety. Permit holder is responsible for furnishing the cleaning supplies and toilet paper to service the toilets.

The Sandia ranger District uses the following pumping services for waste removal:

1. Canon's Septic Tank Pumping (505) 281-8999
2. AAA Pumping Service (505) 750-9279

Other Utilities

Cell phone reception is poor and spotty throughout the snow play area.

II. Forest Service Concession Program & Policies

Government-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 U.S.C. 580d, and implementing regulations at 36 CFR Part 251, Subpart B.

In addition, there are certain Forest Service programs and policies that apply to campground concession. All applications must be consistent with these requirements.

A. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair, construction, natural disasters, wildlife protection, or risks to public health and safety. The Forest Service shall not be liable to the permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

B. Administrative Use

The Forest Service reserves the right to use the area for administrative purposes. Such use will be coordinated with the SPA permit holder and will be conducted in a manner that minimizes interference with snow play operations.

If the Forest Service requires the permit holder to provide a service for the agency, the permit holder will be compensated for that use.

C. Applicable Forest Orders

Forest Orders are issued to address a variety of management concerns on a particular forest. Orders related to the offering are identified in Appendix 4. Additional applicable forest orders may be issued in the future.

D. Fee Tickets/Passes and Compilation of Use and Revenue Data

The permit holder must provide fee tickets to visitors that include at least the following information:

- Total amount paid.
- The date of issuance.
- If a pass is used, the pass number.
- The number of people in the group.
- The number of vehicles and their license plate numbers.

Additional suggested information for the tickets includes:

- Rules of Use
- Acknowledgement of risk (similar to ski area lift ticket)
- Hours of operation
- Re-entry and refund policies

The permit holder will not be required to give free or discounted access to holders of any interagency pass (America the Beautiful, Access, Senior, or Volunteer Pass).

The permit holder must provide use and revenue data to the Forest Service (*see* Appendix 5 of the prospectus for a sample use report). Use reports must be completed monthly and at the end of the operating season for the site. At a minimum, monthly and year-end use reports must include:

- The total number of vehicles
- The total number of people based on daily counts (this may be based on average # vehicle passengers)
- Total recreation fee revenue
- Total fee revenue for other goods and services
- The total number of passes issued

In addition, year-end use reports must include:

- Total taxes paid
- Total gross revenue
- Total net revenue

E. Customer Service Comment Cards

The permit holder must provide a customer service comment card to visitors at each developed recreation site (*see* Appendix 6 of the prospectus).

F. Performance Evaluations

At a minimum, the Forest Service will perform a year-end performance evaluation within four months of the close of the operating season (see Appendix 7 of this prospectus). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Sustained satisfactory performance is required for a permit extension.

G. Accessibility

The Architectural Barriers Act of 1968 (ABA) and Section 504 of the Rehabilitation Act of 1973 require new or altered facilities to be accessible, with few exceptions. In 2004, the Architectural and Transportation Barriers Compliance Board (Access Board) issued revised accessibility guidelines for buildings and facilities subject to the ABA and the Americans with Disabilities Act (ADA). These new guidelines are called the ADA/ABA Accessibility Guidelines. In 2006, the Forest Service issued the Forest Service Outdoor Recreation Accessibility Guidelines (FSORAG). The FSORAG addresses types of recreational facilities, including developed recreation sites that are not covered by ADA/ABA Accessibility Guidelines.

Any Government maintenance, reconditioning, renovation, or improvement (*see* section III.C) must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG.

The FSORAG and the ADA/ABA Accessibility Guidelines are posted on the Forest Service's website at <http://www.fs.fed.us/recreation/programs/accessibility>. Questions regarding ADA/ABA Accessibility Guidelines may be referred to the Access Board at www.access-board.gov. Questions regarding the FSORAG may be referred to the accessibility coordinator for the local National Forest.

Accessible parking, toilet facilities, and suitable access to concession services are necessary at the site. The permit holder is responsible for ensuring effective communication with visitors with disabilities, including persons with impaired vision or hearing, so that all visitors may obtain information on accessible services, activities, and facilities.

H. Fees Charged to the Public

The permit holder may charge the public fees only to the extent that the Forest Service can charge recreation fees under REA. All recreation fees must be specified per developed recreation site. The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- General access, unless specifically authorized by REA.
- Dispersed areas with low or no investment, unless specifically authorized by REA.
- Persons who are driving through, walking through, boating through, horseback riding through, or hiking through NFS lands without using the recreational facilities and services for which a fee is charged.
- Camping at undeveloped sites that do not provide the minimum number of facilities and services prescribed by REA.
- Use of overlooks or scenic pullouts.
- Travel by private, noncommercial vehicle over any national parkway or any road or highway in the Federal-aid System that is commonly used by the public as a means of travel between two places, either or both of which are outside an area in which recreation fees are charged.
- Travel by private, noncommercial vehicle, boat, or aircraft over any road, highway, waterway, or airway to any land in which the person traveling has a property right, if the land is in an area in which recreation fees are charged.
- Any person who has a right of access for hunting or fishing privileges under a specific provision of law or treaty.
- Any person who is engaged in the conduct of official federal, state, tribal, or local government business.
- Special attention or extra services necessary to meet the needs of the disabled.

I. Law Enforcement

Forest Service Manual (FSM) 2342.1, Exhibit 01, addresses the law enforcement authorities and responsibilities of concessionaires, Forest Service, state, and local law enforcement agencies (See Appendix 8). Law enforcement responsibilities at Capulin SPA will follow the direction provided by the FSM. Applicants should address law enforcement and related communications in their annual operating plans.

J. Other Pertinent Information

Comfortable Carrying Capacity

Previous operating seasons have provided valuable experience to help establish an acceptable balance of play area, sledding slope, and parking capacity. Although there are assumed inherent risks with snow play and sledding - much as there are in skiing - proper parking capacity plays a leading role in prevention of overcrowding on play areas and sledding slopes. Overcrowding can lead to increased collision and confrontation hazards as well as degraded customer experience. For purposes of this prospectus the current acceptable site capacity is 137 vehicles. This equates to approximately 350-480 snow players, assuming the average number of persons per vehicle is 3.5 (average is 2.5 at campgrounds and other day-use sites, but visitors to Capulin SPA are predominantly families). The functional limiting measure of capacity for permit compliance will be the number of vehicles.

The parking lot is currently stripped with 137 parking spaces. The site underwent a renovation in the summer of 2010 to increase the slope capacity while keeping the parking capacity the same. The management strategy at the time of the redesign was much less intense and required dispersing users to decrease the incidence of collisions when the site was unstaffed. Given the higher level management and the resulting better compliance under a concession, the Forest Service is willing to allow the permit holder use of the additional 29 parking spaces in the adjacent Capulin Picnic Area. This overflow parking would allow for 75-100 additional visitors. Capulin Picnic area is an optional site in this prospectus. Applicants may propose use of the area in their application and proposed operating plan.

Hazard Tree Removal

The permit holder will have to conduct pre-season inspection of the SPA to identify existing and potential hazards, including hazard trees. The permit holder also will be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the authorized officer, the permit holder's financial responsibility for removing hazard trees and associated slash will not exceed one percent of gross annual revenue per year. Hazard tree mitigation in excess of this one percent will be the responsibility of the Forest Service. The annual operating plan will address appropriate disposal of hazard trees and slash.

Emergency Services

Albuquerque Ambulance Service (AAS), in coordination with Bernalillo County EMS Division, provides an all advanced life support (paramedic/EMT) emergency and non-emergency service to the citizens of Albuquerque and surrounding Bernalillo County including Capulin Snow Play Area.

The permit holder will be required to conduct pre-season coordination with the Sandia Ranger District, Albuquerque Ambulance Service and Bernalillo EMS. This coordination is vital to ensure effective communication, response time, efficient access, and on-site support personnel for medical emergencies. Emergency medical skills are an important consideration for Capulin SPA staffing. Inherent dangers of snow play activities require adequate EMS activation and on-site assistance by SPA staff.

III. Special Use Permit

In exercising the rights and privileges granted by the special use permit, the permit holder must comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

A. Permit Term

The permit term will be for up to 5 years, with an option to extend the term for up to an additional 5 years at the sole discretion of the authorized officer. The decision to extend the term will depend, in part, on sustained satisfactory performance of the permit holder. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the authorized officer and will be subject to a competitive offering. A new prospectus will be issued during the final year of the second permit term.

If the decision to select a permit holder is appealed, a permit will not be issued until the appeal has been resolved, unless operation is needed during the appeal, in which case a permit with a term of one year or less may be issued.

B. Permit Holder Responsibilities

This section highlights the requirements of the special use permit. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

Responsibility for Day-to-Day Activities

As a general rule, the holder will be required to conduct the day-to-day activities authorized by the permit. Some, but not all, of these activities may be conducted by someone other than the permit holder, but only with the prior written approval of the authorized officer. The permit holder will continue to be responsible for compliance with all the terms of the permit.

Permit Holder-Furnished Supplies and Equipment

The permit holder will be required to provide all vehicles, equipment, and supplies necessary to operate the SPA in accordance with the special use permit.

Holder-furnished Vehicles

The permit holder may use snowmobiles and all-terrain vehicles for grooming the slopes and snow removal. However, the permit holder may not use all terrain vehicles, motorcycles, or motorbicycles in the SPA for general transportation. The holder may propose use of golf carts or other similar vehicles to facilitate daily maintenance of the facilities. If authorized, carts must stay on designated roads or trails while driving between sites or loops.

Holder Maintenance, Reconditioning, or Renovation (MRR)

Maintenance, reconditioning, and renovation are defined in the permit (FS-2700-4h, clause IV.E.1 (a), (c)). Holder MRR is defined as maintenance, reconditioning, or renovation that

neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. In fulfilling these responsibilities, the holder must obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation (FS-2700-4h, clause IV.E.1(d)). The permit holder, at its expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4h, clause II.D). The holder MRR plan will describe required holder MRR and its frequency. The holder MRR plan will become part of the permit holder's annual operating plan.

C. Granger-Thye Fee Offset Agreement

The federal government owns all the improvements at the developed recreation sites covered by this prospectus. Under Section 7 of the Granger-Thye (GT) Act and the terms of the permit, the permit fee may be offset in whole or in part by the value of Government maintenance, reconditioning, renovation, and improvement (MRRI) performed at the permit holder's expense. Government MRRI is defined as maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. (*See* Appendix 10 of the prospectus and FS-2700-4h, clause IV.E)

The holder must perform GT fee offset work. When that work includes construction that costs more than \$2,000, it is subject to the Davis-Bacon Act and the GT fee offset agreement must contain Davis-Bacon act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently approved indirect cost rate or accounting procedures and supporting documentation to determine an indirect cost rate (*see* Appendix 13 of the prospectus).

The holder's claims for GT fee offset must be documented using the FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification Form (*see* Appendix 14 of the prospectus). This form requires the holder to itemize allowable costs incurred for an approved GT fee offset project and to certify the accuracy and completeness of claims.

When the Forest Service performs GT fee offset work, the holder will deposit fee payments into a CWFS account. The Forest Service will perform GT fee offset work under a collection agreement and offset those costs against the permit holder's annual permit fee (*see* FS-2700-4h, clause IV.E.3, and Appendix 15 of the prospectus). The Forest Service's indirect costs may be offset at the agency's approved rate. The Forest Service and the holder will agree on the work to be performed in advance of each operating season.

D. Insurance

Liability Insurance

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$25,000 for injury or death to one person per occurrence; \$500,000 for injury or death to more than one person per occurrence; and \$1,000,000 for third-party property damage per occurrence, or in the minimum amount of \$1,000,000 as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (see Appendix 10, FS-2700-4h, clauses IV.C and VII.H).

IV. Application

A. Instructions for Submitting Applications

Applicants must submit an application for all mandatory sites offered in this prospectus as well as any optional sites they propose. **Applications must be received by close of business (4:30 p.m. MDT) August 16, 2013.**

Applicants are strongly encouraged to visit the sites at least once before submitting an application (See Appendices 1, 2, and 3 for Vicinity and Site Maps and pictures of the site.)

The information in this prospectus is from generally reliable sources, but no warranty is made as to its accuracy. Each applicant is expected to make an independent assessment of the business opportunity offered in this prospectus.

Applicants must submit one hard copy and one digital copy (on CD, DVD, flash-drive, etc.) of their application package and supporting documents to:

Cibola National Forest (Sandia Ranger District)
Elaine Kohrman, Forest Supervisor
Attention: Bob Heiar
11776 Highway 337
Tijeras, NM 87059

Applicants must submit copies of their application package and supporting documents in hardcopy format. The same number of copies of the Business Plan (Appendix 16) and the Operating Plan (Appendix 9) must be submitted as separate documents. Unless requested in writing to return proposals, all unsuccessful applicants' proposals and supporting documents will be destroyed after the appropriate appeal period. Portions of the selected applicant's package will become part of the special-use permit.

Please ensure that all requested information is submitted. Missing or incomplete information will result in a lower rating for the corresponding evaluation criteria.

Applications must be signed. The person signing for an entity must have authority to sign for that entity. Applicants must include their address, telephone number, facsimile number, and email address.

Corporations also must include:

- Evidence of incorporation and good standing.
- If reasonably obtainable, the name and address of each shareholder owning 3 percent or more of the corporation's shares and the number and percentage of any class of voting shares that each shareholder is authorized to vote.
- The name and address of each affiliate of the corporation.
- If an affiliate is controlled by the corporation, the number of shares and the percentage of any class of voting stock of the affiliate owned, directly or indirectly, by the corporation.
- If an affiliate controls the corporation, the number of shares and the percentage of any class of voting stock of the corporation owned, directly or indirectly, by the affiliate.

Partnerships, limited liability companies (LLCs), associations, or other unincorporated entities must submit a certified copy of the partnership agreement or other documentation establishing the entity or a certificate of good standing under the laws of the state where the entity is located.

Applicants should contact Bob Heiar at 505-281-3304 x 115 or rheiar@fs.fed.us regarding any questions related to this prospectus.

B. General Terms, Qualifications, and Reservations

All applicants have an equal opportunity to apply. Except for members of Congress, Resident Commissioners, and current Forest Service employees, any individual or entity may apply.

The Forest Service does not guarantee a profitable operation. Rather, applicants are responsible for reviewing the prospectus and making their own determination concerning business viability.

The Forest Service will select the application that offers the best value to the Government. The Forest Service reserves the right to select the successful applicant based on a trade-off between the fee to the Government and technical merit.

The Forest Service is not obligated to accept the application with the highest return to the Government.

The Forest Service reserves the right to select the successful applicant based solely on the initial application, without oral or written discussions.

The Forest Service reserves the right to reject any or all applications and to rescind the prospectus at any time before a special use permit is issued.

Any oral statement made by a representative of the Forest Service shall not modify the requirements of this prospectus. If it is determined that an error or omission has been made or additional information is required, a written amendment will be sent to each person or entity receiving a copy of this prospectus.

If there is a conflict between the terms of the prospectus and the special use permit, the terms of the permit will control.

The Forest Service is proposing a revision to FSM 2344.3 to address how passes and passports are honored in the concession program. The agency reserves the right to amend the special use permit consistent to any change to that directive. In addition, the Forest Service reserves the right to amend the special use permit, to make it consistent with applicable laws and regulations, including REA; other Forest Service directives; or other management decisions.

The information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

C. Application Package Requirements

Applications must be in writing and must include or address the following:

- A proposed annual operating plan (including required and optional services)
- A business plan, business experience, and references
- Financial resources
- Fees charged to the public
- Fee to the government
- Application fee

1. Proposed Annual Operating Plan (Including Required and Optional Services)

Applicants must submit a proposed annual operating plan that addresses all required and optional services. Applicants are encouraged to utilize the operating plan outline (*see* Appendix 9) to organize their response to this section. The successful applicant's proposed operating plan will be attached to and become a part of the special use permit.

Applicants must specify whether another party will assist with any of the operational aspects of the concession, and if so, must include the other party's name, address, telephone number, email address, and relevant experience.

Below are highlights of what needs to be addressed in the proposed annual operating plan. For more detail, see the operating plan outline in Appendix 9 of the prospectus.

Operating Season

Applicants need to propose the period in which they will operate the sites listed in the prospectus.

When sufficient snow exists, at a minimum, Capulin SPA must be open and operational every Saturday, Sunday and holiday between December 15th and March 30th. Additionally, the area must be open, at minimum; five days a week during Albuquerque Public Schools winter break (generally speaking between Christmas and New Years) and spring break (generally mid-March). The USFS permit administrator will assist with determination of sufficient snow pack for snow play operations.

All operations must be conducted between October 16th and May 14th. Capulin Picnic Area's season of operation is from May 15th through October 15th. The permit holder will be responsible for all government furnished property only during the operating season agreed upon in the annual operating plan.

Required Operations and Services

Applicants need to address the following minimum service categories:

- Preseason and postseason operations
- Rules of Use
- Snow removal
- Parking management
- Staffing plan
- Sign plan (English and Spanish)
- Slope safety management
- Safety and emergency procedures
- Personnel Organization and Contact list
- Operations & Maintenance of vault toilets
- Snow Grooming of Slopes
 - Grooming is absolutely critical to the successful operation of Capulin. The Sandia District does not own or have the capital to purchase equipment needed to groom the slopes which has been a major contribution to the District's difficulties over the past few years. Proper grooming will:
 - Increase safety by eliminating natural moguls & jumps as well as creating straight lanes that do not crisscross
 - Increase slope capacity by creating lanes that maximize the slope space
 - Increase general aesthetic quality
 - Increase length of season by managing existing snow pack, breaking up unsafe hard packed and icy slope conditions
 - Although professional grooming equipment is desired and recommended, the Cibola National Forest will consider other methods of grooming. Applicants will need to describe in detail how they intend to meet this requirement.

Optional Sites & Services

Optional Site:

- Capulin Picnic Area

Optional services may include, but are not limited to, the following:

- Food & drink service and concessions
- Portable warming facilities
- Firewood sales
- Winter gear and clothing sales
- Tube/sled rentals and sales
- Annual or seasonal passes
- Novelty events/parties/races

Snow Play Area Maintenance and Inspections

All SPA maintenance will be the responsibility of the permit holder. Applicants need to provide a maintenance and inspection plan. Items to address include, but are not limited to, restroom facilities, garbage receptacles, roads and parking lots, signs general litter removal, sledding slopes, and walkways. Area maintenance should include hazard mitigation response standards. The Holder Maintenance, Reconditioning, or Renovation plan, as presented above, will be included as part of the annual operating plan.

Staffing

Applicants must address appropriate staffing to meet customer service, emergency response, and cleanliness standards. The holder will be responsible for furnishing all personnel for the SPA and for adequately training and supervising their activities under the terms of the permit. Emergency medical skills are an important consideration for Capulin SPA staffing. Inherent dangers of snow play activities require adequate EMS activation and on-site EMS assistance by SPA staff.

The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Applicants should address worker hours and schedules. Applicants also should address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

Supervision and Management

Applicants must designate an individual to serve as the agent of the holder for purposes of administration of the permit by the Forest Service. The designated agent must periodically review attendant performance on site. The holder will be responsible for the conduct of his/her employees, including preventing conduct prohibited by 36 CFR part 261, Subpart A, and ensuring that employees are not under the influence of intoxicating beverages or narcotic drugs while on duty or representing the holder. Applicants also must include a policy for removing employees who engage in inappropriate conduct.

Uniforms and Vehicle Identification

Applicants should describe employee uniforms, insignia, name tags, and the applicants' policy for ensuring a clean, professional appearance by staff while on duty. The holder's employees may not wear any component of the Forest Service uniform. Additionally, applicants should address their policy for vehicle maintenance and appearance; types of vehicles to be used for operations (vehicles may not be driven off designated roads or trails); and signage to identify the concessionaire to the public.

2. Business Plan, Business Experience, and References

Applicants must submit a business plan utilizing the format in Appendix 16. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

Applicants must furnish a detailed description of their experience relating to operating and maintaining developed recreation sites (*e.g.*, snow play areas, campgrounds, picnic areas, beaches, and marinas). The description must include experience in private business, public service, or any nonprofit or other related enterprises. Applicants are encouraged to contact their local SBDC if they need assistance in completing their business plans. Alternatively, applicants who have already received a review of their business plan from an SBDC or the Forest Service for the current fiscal year may submit a copy of the review report.

Performance Evaluations

Applicants who have experience in managing Forest Service or other Government concessions must provide copies of the most recent annual written performance evaluations for each Forest Service or other concession the applicants have operated or are operating.

References

Applicants also must furnish three business references with names, addresses, telephone numbers, and email addresses in support of relevant business experience. These references will be contacted for information regarding applicants' past performance. In addition, the Forest Service may consider past performance information from other sources.

3. Financial Resources

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (*see* Appendix 17 of the prospectus) for certification of the accuracy of the financial statements.

Applicants must complete FS-6500-24 for any of the last three fiscal years they were in business for which a financial statement was not audited, reviewed, or compiled by a CPA. An applicant who has had a financial ability determination (FAD) conducted within the past year should include a statement to that effect along with the forest name, contact name and telephone number. Additionally, applicants must identify any pending applications or new permits obtained from the Forest Service since the FAD was completed.

In completing FS-6500-24, LLCs must list the name of the company in block 1, the names and interests of the principals in block 5, and their members should be listed in block 6. In addition, LLCs must complete the certification in Part (D)(1) of FS-6500-24.

An applicant who has not been in business for the last three fiscal years, and therefore cannot submit audited, reviewed, or compiled financial statements or an FS-6500-24, must submit three fiscal years of projected financial statements compiled by a CPA using the forecast method.

Any financial information submitted by applicants must conform to generally accepted accounting principles (GAAP) or other comprehensive bases of accounting. Any previously prepared financial documents that are submitted must be unredacted and in their original form, including footnotes.

Applicants must show at least 25 percent of the first year's operating costs in liquid assets. Liquid assets are assets that are readily converted into cash.

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (*see* Appendix 18 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to USDA Forest Service, Albuquerque Service Center, Attention (name of forest service auditor), 101B Sun Ave. NE Albuquerque, NM 87109.

4. Fees Charged to the Public

Applicants must provide a list of all fees they propose to charge to the public for the first three years of operation, including fees for required and optional services (*see* Appendix 9, Sample Annual Operating Plan, for a list of required and optional services). Discuss any variable pricing, discounts, and passes. All proposed fees to be charged to the public also must be included in the business plan as an income item.

The Forest Service reserves the right to regulate the rates charged to the public.

5. Fee to the Government

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is currently \$1,000.00 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

As a new offering there is no revenue data to use in calculating the minimum fee. The minimum fee for the first year is set at \$1,000. The minimum fee for following years will be based on adjusted gross revenue to reflect the equation below.

Minimum Fee Calculation (sample)

<u>Year</u>	<u>Gross Revenue</u>
2003	\$181,743
2004	\$214,963
2005	\$226,357

Total \$623,063

Total gross revenue ÷ 3 = average gross revenue

\$623,063 ÷ 3 = \$207,687

Average gross revenue multiplied by the current 30-year Treasury bond rate = the minimum annual fee. In the following example, the 30-year Treasury bond rate is 5.3 percent.

\$207,687 x 0.053 = \$11,008 minimum annual fee (sample)

Applicants may propose a fee below the minimum, provided they can document why this amount represents fair market value. However, the Forest Service may reject the proposed fee if the agency determines that it does not reflect fair market value.

Applicants must propose the fee to the Government as a percentage of the concession's adjusted gross revenue. One percentage may be proposed for the entire permit term, or the percentage may vary each year. However, if a consolidated fee payment will be proposed, one percentage rate must be proposed for the entire period of consolidated payments.

The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.

The fee to the Government may be offset in whole or in part by the value of Government MRRI, performed at the permit holder's expense in accordance with a GT fee offset agreement (see section III of the prospectus).

6. Application Fee

Cost Recovery

Applications submitted in response to this prospectus are subject to cost recovery pursuant to 36 CFR 251.58(c)(1)(ii) and (c)(3)(iii). Applicants must submit a processing fee of \$100.00 to cover the cost of the prospectus and review of the application. Payments due the United States for this application must be paid in the form of a bank draft, money order, or cashier's check payable to the USDA-Forest Service. Payments will be credited on the date received by the designated Forest Service collection officer or deposit location. Additionally, the selected applicant will be responsible for the costs of preparing and issuing the permit and conducting a FAD, unless the Forest Service has conducted a FAD for the applicant within the past year. If a FAD has been completed for the applicant within the last 12 months, the applicant will be responsible for the cost of adjusting it to reflect any change this selection will have on the applicant's financial ability.

D. Evaluation of Applications

A Forest Service evaluation panel will evaluate each application utilizing the non-fixed weight method.

The following evaluation criteria are listed in descending order of importance:

- Proposed annual operating plan (including required and optional services).
- Business plan, business experience, and references.
- Financial resources.
- Fees charged to the public.
- Fee to the Government.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

The evaluation panel will make a recommendation to the authorized officer as to which applicant offers the best value to the Government. The authorized officer will make the selection decision. All applicants will be notified of the successful applicant via certified mail.

The Forest Service will conduct a FAD on the selected applicant as a prerequisite to issuing a special use permit, unless the agency has a current fiscal year FAD conducted by the Albuquerque Service Center or SBDC for another Forest Service unit.

The Forest Service reserves the right to reject any and all applications.

The Forest Service reserves the right to rescind the prospectus at any time before a special use permit is issued. If the Forest Service rescinds the prospectus, application fees will be returned.

V. Post-Selection Requirements

Once an applicant has been selected, the following information must be submitted and approved by the Forest Service prior to issuance of a special use permit:

- A final annual operating plan containing all the items included in the annual operating plan submitted in response to the prospectus.
- An annual GT fee offset agreement.
- Documentation of required liability insurance and, if applicable, property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advance payments (*see* Appendix 10 and FS-2700-4h, clause IV.C.1).
- A state business license and any other required federal, state, or local certifications or licenses.

The successful applicant will be required to submit all these items within 30 days of the date of the selection letter. If these requirements are not met within the 30-day period, a special use permit will not be issued. The applicant who receives the next-highest rating may then be selected for the special use permit, subject to the same requirements.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a discrimination complaint, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 975-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.